Louisville Plant

February 14, 2005

Mr. Jonathan Trout
Secretary /Treasurer
Louisville Metro Air Pollution Control District
850 Barrett Avenue, Suite 200
Louisville, KY 40204-1745

Hand Delivered

RE: Comments on Proposed Strategic Toxic Air Reduction "STAR" Program Regulations

Dear Mr. Trout:

Oxy Vinyls, LP appreciates the opportunity to provide comments on the proposed Strategic Toxic Air Reduction ("STAR") Program regulations issued by the District on January 10, 2005. Oxy Vinyls, LP at Louisville is committed to reducing air emissions and supports the District's initiative regarding air emissions reductions; however, there are several significant issues we feel need to be addressed before adoption of the final regulations by the Board.

Despite voluntary reductions in the emissions of hazardous air pollutants by our facility, the District continues to focus its regulatory efforts on single stationary sources while ignoring the significant air toxics contributed by area and mobile sources and the impact from sources outside Jefferson County. This could place our facility at an unfair economic disadvantage with competitors who would be able to operate under less stringent regulations.

We fully support the comments regarding the proposed STAR Program regulations submitted by the Louisville Chemistry Partnership, Inc. and Greater Louisville Inc. Our specific concerns are as follows:

Enhanced Leak Detection and Repair Program

We have serious concerns that the current language in proposed Regulation 1.21 Enhanced Leak Detection and Repair (LDAR) Program will require facilities to maintain one program under a current applicable federal standard as well as implement an additional complex and costly LDAR program proposed by the District. We believe the District has put too much emphasis on LDAR program monitoring without acknowledging that reductions in fugitive emissions can be achieved by lower fugitive component leak rates as an alternative to requiring facilities to institute a complex LDAR program.

Our facility is subject to the National Emissions Standard for Hazardous Air Pollutants ("NESHAP") for Vinyl Chloride (see 40 CFR Part 61, Subpart F). This regulation requires that a directed leak detection and repair (LDAR) program, including the installation of ambient air monitors, be undertaken. This program also requires that affected facilities identify leaks and repair them expeditiously. The language in the proposed regulations

would require our facility to maintain our current program under the applicable Federal standard and implement an additional program under the regulations proposed by the District. At our facility, such a program would be duplicative, and serve only to add an additional economic and administrative burden without any accompanying environmental benefits.

Therefore, we respectfully request the District to authorize facilities subject to Federal LDAR programs that utilize ambient air monitoring systems in combination with equipment monitoring to maintain their current LDAR programs in lieu of implementing the District's LDAR program. The Federal LDAR program already in place provides superior continuous monitoring instead of the intermittent quarterly monitoring proposed under the District's LDAR program, and is, therefore, the preferred vehicle for achieving the environmental benefits the District is seeking.

We request that the District add the following language in Regulation 1.21 section 3.9:

> "Required Federal leak detection and monitoring programs that utilize continuous monitoring of the ambient environment with an alarm system and a directed leak detection and repair program will be accepted as an equivalent alternative to the requirements listed in 3.1 to 3.7"

Additionally, because our facility utilizes a continuous monitoring of the ambient environment with an alarm system to detect leaks, we should not be subject to the third-party audit provisions of Section 12. Monitoring systems of this type detect all leaks without regard to the type of component, the accessibility of the components location, or whether the component appears on an equipment list. The monitoring system will continue to detect leaks and alarm until the leaks are repaired, regardless of whether a paper tag has been placed on the component. Therefore, we respectfully request the District authorize facilities subject to Federal LDAR programs that utilize ambient air monitoring systems with an alarm system to detect leaks to maintain their current LDAR programs in lieu of implementing the District's audit program. The continuous monitoring systems already in place provides superior continuous monitoring instead of a third-party consultant's biannual visit proposed under the District's LDAR program, and is, therefore, the preferred vehicle for achieving the environmental benefits the District is seeking.

We request that the District add the following language in Regulation 12.7:

> "Affected facilities using continuous monitoring of the ambient environment with an alarm system to detect leaks in §3.9 will be accepted as an equivalent alternative to the requirements of Section 12."

<u>Emissions Inventory Reporting</u>

We have serious concerns about the District's proposed Regulation 1.06 section 5.3 that requires facilities to provide a detailed plot plan showing property line, fences, scale, buildings and UTM coordinates. We believe that this information is sensitive from a security perspective, as it will provide locations and descriptions of various structures. Note that the distribution of certain Risk Management Plan (RMP) information is strictly controlled under the Chemical Safety, Site Security and Fuels Regulatory Relief Act of 1999 (see 42 U.S.C. 74129(r) 1999.) Security guidelines following September 11, 2001 advise facilities that handle chemicals not to provide detailed plant information that would be available to the public. We request the District allow facilities to keep the required information on-site and make it available to the District for review upon request.

<u>Seal System Barrier Fluid</u>

Proposed regulation 1.21 section 5.2.1.3 requires the use of non-organic barrier fluid in seal systems installed on or after July 1, 2006. We are concerned that this requirement will prevent the use of ethylene glycol, propylene glycol or similar low vapor pressure antifreeze and low vapor pressure oils in seal systems. Failure to use these chemical substances will likely result in damage to equipment. Note that seal systems are maintained, typically self-contained and if they do indeed leak, leaks are minor and contained.

These chemicals substances are also the major components of vehicular antifreeze and coolants in the several hundred thousand vehicles in the Greater Louisville area. We believe that there is a much greater potential for release of these chemicals to the environment associated with coolant and antifreeze leaks from motor vehicles than from equipment, which is safely and adequately maintained in our facility. Respectfully, we request that the District delete section 5.2.1.3 from the proposed rules or specifically exempt the use of low vapor pressure organic barrier fluids in seal systems.

Ambient Air Definition

Because we are located within a multi-company industrial complex, we are concerned about the District's use of the property line to define ambient air in the proposed regulation 1.02 section 1.7. We suggest that a more appropriate definition of ambient air would be air to which the general public could be exposed. The Occupational Safety & Health Standards address employee exposures and are protective of employee exposures on the plant site. Stationary sources should not be required to determine compliance at locations in their parking lots, or on neighboring industrial properties or roadways – all of which are places where people do not reside and where no one will be exposed for the 70-years/365-days/24-hours (the model exposure rationale used in the STAR Program).

As proposed, risk levels will be applied inside plant boundaries even though there is no access by the general public, thus greatly increase the chance that risk standards will be exceeded, triggering unnecessary controls that result in no appreciable increase in protection of public health. Instead of a receptor in the plant parking lot, the receptor that is appropriately evaluated based on the Board's justification for the program is a receptor at the closest residence.

Implementation Concerns

Again, we believe that an existing Federal leak detection and monitoring program that utilizes continuous monitoring of the ambient environment with an alarm system and a directed leak detection and repair program will equal if not exceed the amount of emission reductions sought through imposition of the detailed and complex LDAR program proposed by the District. We believe that investing resources in improving continuous ambient air monitoring would be less expensive and more effective in reducing emissions than attempting to overlay the District's complex monitoring program on top the already effective Federal requirements. Without allowing alternative methods of compliance such as that outlined above, the majority of facilities potentially affected by the proposed regulations will likely need to increase staffing or implement reporting databases to handle this increased workload/data collection. This could result in a counterproductive situation where resources are diverted from actual reduction activities to monitoring and recordkeeping and at the same time placing our facility at an unfair economic disadvantage with competitors who would be able to operate under less complex regulations.

Note also, that we believe the District does not fully recognize the resources that will be needed to perform the necessary work (i.e. calculations, gather data, create drawings, install software for data collections, etc.) to be in a position to comply with the regulations as currently proposed. As a result, the District does not allow enough time for implementation of the program. In the absence of an alternative compliance and based on the current language, the leak detection and repair program would have to be implemented within 120 days. This does not allow a facility such as ours with an estimated number of 20,000 components to be ready to implement complex leak detection and repair programs. It should be noted that EPA allows up to 3 years for affected facilities to come into compliance with MACT standards. We believe that if the District plans to move forward with its proposal as is, more time must be allowed for program implementation.

Emissions Monitoring

By removing the pre-existing clause "in accordance with such requirements as specified in these regulations" from the proposed regulation 1.06, it appears the District has expanded its authority to require emissions monitoring at any facility for any reason without cause. The requirement for a facility to invest in monitoring equipment should be tied to the need to comply with specific regulatory requirements. Even under Title V, monitoring must be tied to an applicable requirement. In addition, there will be cases where it is not feasible to install or properly operate in-stack monitors due to technology not being available or physical constraints associated with point sources. Alternative monitoring and flexibility needs to be allowed and clearly stated in the regulations.

Malfunctions

In proposed regulation 1.07 section 4, the text "A call placed to the emergency number 911, constitutes notification to the District" should not be removed from the regulation. Calling 911 to notify all the local agencies in an emergency simplifies reporting for the facility and allows our personnel to focus their attention and effort on minimizing the impact of the event. If the District is experiencing difficulty receiving timely notification of 911 calls, then the District and the Emergency Management Agency need to rectify the problem.

If you should have, any questions regarding the comments presented or require additional information, please feel free to contact my office.

Sincerely,

T. Kent Lindsey
Plant Manager